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2017 JUN -1 AM 9:58

CLERK U.S. DISTRICT COURT
NORTHERN DISTRICT OF OHIO
CLEVELAND

IN THE UNITED STATES DISTRICT COURT

FOR THE NORTHERN DISTRICT OF OHIO

EASTERN DIVISION

UNITED STATES OF AMERICA,	)	INFORMATION
Plaintiff,	)	CASE NO. 4:17 CR 194
v.	)	JUDGE JUDGE LIOI
FELIX BLACK,	)	Title 18, Sections 1349, 1956(h), United States Code
Defendant.	)	MAG. JUDGE LIMBERT

The United States Attorney charges:

General Allegations

At all times material to this Information:

1. Defendant FELIX BLACK was a resident of Youngstown, Ohio, which was located in the Northern District of Ohio.

2. Huntington National Bank ("Huntington Bank") is a financial institution headquartered in Columbus, Ohio.

3. Citizens Bank (formerly Charter One Bank) is a financial institution headquartered in Providence, Rhode Island.

4. BLACK established and maintained a business checking account at Huntington Bank ending in #5863.

5. BLACK established and maintained a business checking account at Citizens Bank ending in #6670.

6. Huntington Bank and Citizens Bank had branch offices located in the Northern District of Ohio and elsewhere. Any time money was transferred via wire to or from an account at these banks, including to or from accounts opened at its branch offices located in Ohio, to or from an account at another financial institution, information was transmitted by means of wire communication from the other financial institution to the banks' headquarters.

7. Huntington Bank and Citizens Bank were insured by the Federal Deposit Insurance Corporation.

The United States Attorney further charges:

COUNT 1
(Conspiracy to Commit Wire Fraud, 18 U.S.C. § 1343, and Bank Fraud, 18 U.S.C. § 1344(2), in violation of 18 U.S.C. § 1349)

8. The factual allegations of paragraphs 1 through 7 of this Information are realleged and incorporated by reference as if fully set forth herein.

9. From in or around January 2013, and continuing through approximately December 2016, in the Northern District of Ohio, Eastern Division, and elsewhere, Defendant FELIX BLACK, and others known and unknown to the United States Attorney, did knowingly and intentionally combine, conspire, confederate, and agree together and with each other to:

a. devise and intend to devise a scheme and artifice to defraud law firms, investment firms, other business entities, and individuals who believed they were engaging in legitimate financial transactions, and to obtain money and property from such entities and persons by means of false and fraudulent pretenses, representations, and promises, and for the purpose of executing and attempting to execute the scheme and artifice to defraud cause to be transmitted by means of wire communication in interstate commerce, writings, signs, signals, pictures and sounds, in violation of Title 18, United States Code, Section 1343; and

b. by means of materially false and fraudulent pretenses, representations, and promises, knowingly execute and attempt to execute a scheme and artifice to obtain any of the moneys, funds, credits, assets, securities, and other property owned by and under the custody and control of a financial institution, in violation of Title 18, United States Code, Section 1344(2).

Object of the Conspiracy

10. The object of the conspiracy was to enrich FELIX BLACK and his co-conspirators (a) by causing law firms, investment firms, other business entities, and individuals to engage in financial transactions that representatives of the various business entities and individuals thought were legitimate but, in truth and in fact, fraudulently diverted large amounts of money to bank accounts that the co-conspirators had established to receive the diverted funds, and (b) by using financial institutions to obtain the fraudulently diverted money.

Manner and Means of the Conspiracy

11. The manner and means by which the conspirators sought to accomplish the conspiracy included, among others, the following:

a. Conspirators used emails, financial wire transfers, and other interstate wire communications to defraud law firms, investment firms, other business entities, and individuals across the United States and obtain funds from them by means of materially false and fraudulent pretenses and representations;

b. Conspirators, through computer intrusion schemes, dating scams, and otherwise, obtained information relating to their victims' business activities, financial accounts, and financial transactions;

c. Conspirators incorporated and caused to be incorporated shell companies with fictitious names, sometimes including the victim's name into the shell company name, then opened and caused to be opened bank accounts in the names of those shell companies at various federally-insured financial institutions in the Northern District of Ohio and elsewhere, and provided each other with access to these accounts;

d. Conspirators opened and caused to be opened bank accounts, in the names of existing business entities they controlled and names similar to their own individual names, at various federally-insured financial institutions in the

Northern District of Ohio and elsewhere, and provided each other with access to these accounts;

e. Conspirators provided each other with access to other preexisting bank accounts they controlled at various federally-insured financial institutions in the Northern District of Ohio and elsewhere;

f. Conspirators made false representations to financial institution representatives about the purpose for which banks accounts were opened and the source and destination of funds;

g. Conspirators used various methods to trick their victims into wiring money, often across state lines, to the bank accounts they controlled, including:

   i. posing as an account holder at a financial institution and directing personnel at the institution to transfer money out of the account holder's accounts;

   ii. posing as an employee at a victim business entity and directing personnel at that entity to transfer money via the entity's financial institution;

   iii. posing as persons with fake investment opportunities and requesting that the victim invest money;

   iv. providing fake checks to lawyers that the conspirators purported to engage for legal representation, claiming that the checks were settlement and transactional payments, directing the lawyers to deposit those checks in their firms' trust accounts, and then instructing the lawyers to wire money out of those accounts to settle fake claims and transactions;

   v. posing as persons who had a legitimate interest in a financial transaction and misdirecting the funds at issue;

   vi. providing fake checks to escrow agents that the conspirators purported to engage, claiming that the checks were earnest money payments to purchase real estate and other large dollar items such as machinery, directing the escrow agents to deposit those checks in their trust accounts, and then instructing the escrow agents to wire money out of those accounts as fake escrow payments;

h. Conspirators traveled to bank branches located in different states to conduct transactions in accounts that had received fraudulently obtained funds;

i. Conspirators withdrew and caused to be withdrawn portions of the victim money from the bank accounts to which it had been fraudulently transferred and used it to enrich themselves.

Acts in Furtherance of the Conspiracy

12. Between on or about August 14, 2013 and September 19, 2014, co-conspirators exchanged emails containing account details for the Huntington Bank account ending in #5863 and the Citizens Bank account ending in #6670.

13. On or about July 25, 2013, co-conspirators caused a counterfeit check in the amount of approximately $27,454.59 drawn off of an insurance company's account located in Omaha, Nebraska, to be deposited into the Huntington Bank account ending in #5863. The deposit was reversed on July 30, 2013.

14. On or about August 22, 2013, co-conspirators caused a wire transfer of approximately $200,000 into the Huntington Bank account ending in #5863 that the co-conspirators fraudulently diverted from a distribution company located in New Castle, Indiana.

15. On or about September 19, 2014, co-conspirators caused a wire transfer of approximately $45,000 into the Citizens Bank account ending in #6670. The funds represented the proceeds of a counterfeit check the co-conspirators deposited or caused to be deposited into a bank account in Forrest City, Arkansas.

The Use of Interstate Wires in Furtherance of the Conspiracy

16. For the purpose of executing and attempting to execute the scheme and artifice to defraud described above, Defendant and others known and unknown to the United States Attorney caused to be transmitted by means of wire communication in interstate commerce, writings, signs, signals, pictures and sounds, to and from the Northern District of Ohio and elsewhere. Such interstate wires included wire transfers of victim funds to bank accounts

controlled by conspirators; email communications with victims; email communications, text messages, and text images between co-conspirators directing opening of accounts, passing account information, and directing movement of fraudulently obtained funds; telephone calls to financial institutions to inquire about accounts controlled by the conspirators; and accessing the internet to check balances in accounts controlled by the conspirators, including the following:

Date of Wire	Description of Wire	Location Where Wire Initiated	Location Where Wire Received
August 22, 2013	Wire transfer of approximately $200,000	First Merchant's Bank account ending in #0657, New Castle, Indiana	Huntington Bank account ending in #5863, Youngstown, Ohio
September 19, 2014	Wire transfer of approximately $45,000	Forrest City First National Bank account ending in #1700, Forrest City, Arkansas	Citizens account ending in #6670, Youngstown, Ohio

All in violation of Title 18, United States Code, Section 1349.

The United States Attorney further charges:

COUNT 2
(Conspiracy to Commit Money Laundering, 18 U.S.C. §§ 1956(a)(1)(B)(i) and 1957, in violation of 18 U.S.C. § 1956(h))

17. The factual allegations of paragraphs 1 through 7 and 10 through 16 of this Information are realleged and incorporated by reference as if fully set forth herein.

18. From in or around January 2013, and continuing to on or about December 2016, in the Northern District of Ohio, Eastern Division, and elsewhere, Defendant FELIX BLACK and others, known and unknown to the United States Attorney, did knowingly and intentionally combine, conspire, confederate, and agree together and with each other to knowingly and

intentionally conduct and attempt to conduct a series of financial transactions affecting interstate commerce, which transactions involved the proceeds from a specified unlawful activity: that is, wire fraud, in violation of Title 18, United States Code, Section 1343, and bank fraud, in violation of Title 18, United States Code, Section 1344, knowing that the transactions involved the proceeds of some form of unlawful activity, and (a) knowing that the transactions were designed in whole and in part to conceal and disguise the nature, location, source, ownership, and the control of the proceeds of said specified unlawful activity, in violation of Title 18, United States Code, Section 1956(a)(1)(B)(i); and (b) knowing that they were engaging in a monetary transaction in criminally derived property of a value greater than $10,000 derived from said unlawful activity, in violation of Title 18, United States Code, Section 1957.

Objects of the Conspiracy

19. The objects of the conspiracy were as follows:

a. to enrich Defendant and his co-conspirators;

b. to conceal and disguise the fraudulent nature and character of the proceeds obtained from a scheme to commit wire fraud and bank fraud, and conceal the ultimate recipients of such proceeds; and

c. to transfer $10,000 or more at a time of the proceeds obtained from a scheme to commit wire fraud and bank fraud for the foregoing purposes.

Manner and Means of the Conspiracy

20. The manner and means by which the conspirators sought to accomplish the conspiracy included, among others, the following:

a. Conspirators obtained the proceeds of the scheme to defraud described in Count 1;

b. Conspirators sent fraudulently obtained proceeds to and from multiple financial institutions, including institutions located overseas, to conceal and disguise the source of, and hinder efforts to locate, those proceeds;

c. Conspirators caused the proceeds of the fraud scheme to be transferred, via multiple smaller transactions, out of the bank accounts that initially received the proceeds ("First Tier Accounts") to other bank accounts (i) in the names of fictitious shell companies, (ii) in the names of other business entities associated with real businesses controlled by persons associated with the scheme, and (iii) in the names of persons associated with the scheme (collectively, "Second Tier Accounts"), thereby creating the false appearance of legitimate business banking activity;

d. Conspirators caused proceeds received by Second Tier Accounts to be transferred, via multiple smaller transactions, out of the Second Tier Accounts to other bank accounts also opened in the names of fictitious shell companies, sometimes located overseas, and real businesses controlled by persons associated with the scheme, (collectively, "Third Tier Accounts"), thereby creating the false appearance of legitimate business banking activity;

e. Conspirators structured withdrawals of money from Second Tier Accounts and Third Tier Accounts to avoid federal reporting requirements;

f. Conspirators shared in the proceeds of the fraud schemes;

g. Conspirators caused proceeds received by Second Tier Accounts and Third Tier Accounts to be withdrawn in cash, which money the conspirators shared with other co-conspirators;

h. Conspirators caused proceeds received by Second Tier Accounts and Third Tier Accounts to be transferred via check to themselves and other co-conspirators;

i. Conspirators caused proceeds received by Second Tier Accounts and Third Tier Accounts to be used to make purchases on behalf of other co-conspirators;

j. Conspirator used the proceeds of the scheme to defraud to pay expenses related to travel they conducted to further the scheme; and

k. Conspirators traveled to bank branches located in different states to conduct transactions in accounts that had received fraudulently obtained funds.

Acts in Furtherance of the Conspiracy

21. On or about August 12, 2013, Defendant, at the direction of Z.H., made a cash withdrawal of approximately $50 from the Huntington Bank account ending in #5863, which

funds were the proceeds of the scheme to defraud described in Count 1, and gave most or all of the money to Z.H.

22. On or about August 23, 2013, Defendant, at the direction of Z.H., initiated a wire transfer in the approximate amount of $110,000, which funds were the proceeds of the scheme to defraud described in Count 1, from the Huntington Bank account ending in #5863, in Youngstown, Ohio, to the account of a co-conspirator at Cortland Savings and Banking Company in Cortland, Ohio. Defendant, at the direction of Z.H., also used a debit card for the Huntington Bank account ending in #5863 to purchase a cashier's check made payable to co-conspirator Albert Trolio in the amount of approximately $60,000, which funds were the proceeds of the scheme to defraud described in Count 1. Additionally, Defendant, at the direction of Z.H., made a cash withdrawal of approximately $7,000 from the Huntington Bank account ending in #5863, which funds were the proceeds of the scheme to defraud described in Count 1, and gave most or all of the money to Z.H.

23. On or about August 26, 2013, Defendant, at the direction of Z.H., made a cash withdrawal of approximately $4,500 from the Huntington Bank account ending in #5863, which funds were the proceeds of the scheme to defraud described in Count 1, and gave most or all of the money to Z.H. Defendant, at the direction of Z.H., also made a withdrawal of approximately $17,000, which funds were the proceeds of the scheme to defraud described in Count 1. Defendant used $14,000 of that withdrawal to purchase a cashier's check made payable to Z.H. and gave most or all of the remaining $3,000 to Z.H, which funds were the proceeds of the scheme to defraud described in Count 1.

24. On or about September 20, 2014, Defendant, at the direction of Z.H., used a debit card for the Huntington Bank account ending in #5863 to purchase a cashier's check made

payable to co-conspirator Albert Trolio in the amount of approximately $36,000, which funds were the proceeds of the scheme to defraud described in Count 1. Defendant withdrew the funds for the check from the Citizens Bank account ending in #6670. Defendant, at the direction of Z.H., also withdrew $7,000 from the Citizens Bank account ending in #6670 at a Citizens Bank branch in Columbus, Ohio, which funds were the proceeds of the scheme to defraud described in Count 1, and gave most or all of money to Z.H. Additionally, at the direction of Z.H., Defendant withdrew $2,000 from the Citizens Bank account ending in #6670 at a Citizens Bank branch in Boardman, Ohio, which funds were the proceeds of the scheme to defraud described in Count 1, and gave most or all of the money to Z.H.

All in violation of Title 18, United States Code, Section 1956(h).

DAVID A. SIERLEJA
Acting United States Attorney

Ann C. Rowland

By: ANN C. ROWLAND
Deputy Criminal Division Chief